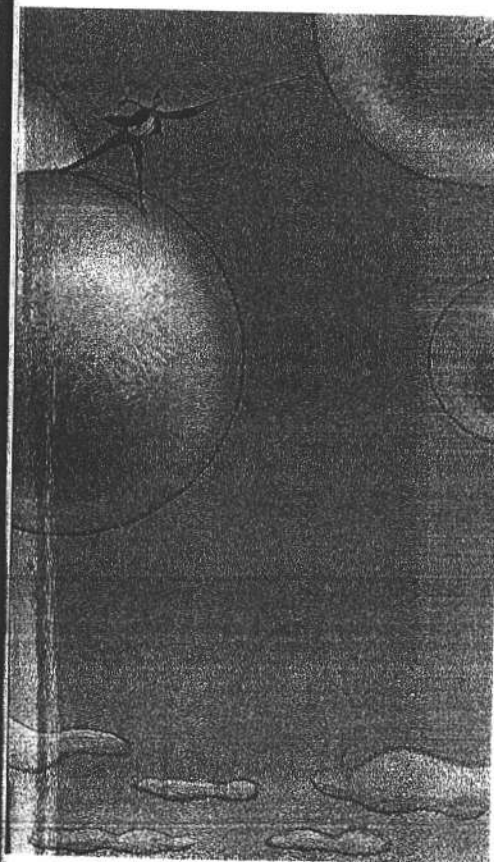


Skilled Incompetence

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# **Skilled Incompetence**

CHRIS ARGYRIS

## **Executive Summary**

MOST MANAGERS SEE CIVILITY as an asset. Many top executives pride themselves on their skill in avoiding conflict. The rationale is it's best not to upset others. So with the best of intentions, managers try not to hurt the feelings of others. What happens, though, is that this civilized asset turns into a real liability.

When managers neither speak candidly nor put important facts on the table—including suspicions about others' motivations—they don't make effective decisions. If suspicions fester, if candor is lost, communication suffers, and so does the company.

Skilled incompetence is a condition in which people are very good at doing things that have unhappy consequences, even though they seem like the right thing to do. "Skilled" because, like riding a bicycle or playing tennis, people do it without thinking. "Incompetence"

because it creates results that aren't intended, like falling off a bike. To avoid the disastrous organizational consequences that this special kind of incompetence produces, it helps to understand and recognize how deeply ingrained one's incompetencies can be and how to unlearn them. Argyris recommends a special application of the case method as a first step in recognizing and unlearning what's wrong.

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**T**HE ABILITY TO GET ALONG with others is always an asset, right? Wrong. By adeptly avoiding conflict with coworkers, some executives eventually wreak organizational havoc. And it's their very adeptness that's the problem. The explanation for this lies in what I call skilled incompetence, whereby managers use practiced routine behavior (skill) to produce what they do not intend (incompetence). We can see this happen when managers talk to each other in ways that are seemingly candid and straightforward. What we don't see so clearly is how managers' skills can become institutionalized and create disastrous side effects in their organizations. Consider this familiar situation:

*The entrepreneur-CEO of a fast-growing medium-sized company brought together his bright, dedicated, hard-working top managers to devise a new strategic plan. The company had grown at about 45% per year, but fearing that it was heading into deep administrative trouble, the CEO had started to re-think his strategy. He decided he wanted to restructure his organization along more rational, less ad hoc, lines. As he saw it, the company was split between the sales-oriented people who*



*sell off-the-shelf products and the people producing custom services who are oriented toward professionals. And each group was suspicious of the other. He wanted the whole group to decide what kind of company it was going to run.*

*His immediate subordinates agreed that they must develop a vision and make some strategic decisions. They held several long meetings to do this. Although the meetings were pleasant enough and no one seemed to be making life difficult for anyone else, they concluded with no agreements or decisions. "We end up compiling lists of issues but not deciding," said one vice president. Another added, "And it gets pretty discouraging when this happens every time we meet." A third worried aloud, "If you think we are discouraged, how do you think the people below us feel who watch us repeatedly fail?"*

This is a group of executives who are at the top, who respect each other, who are highly committed, and who agree that developing a vision and strategy is critical. Yet whenever they meet, they fail to create the vision and the strategy they desire. What is going on here? Are the managers really so incompetent? If so, why?

## What Causes Incompetence

At first, the executives in the previous example believed that they couldn't formulate and implement a good strategic plan because they lacked sound financial data. So they asked the financial vice president to reorganize and reissue the data. Everyone agreed he did a superb job.

But the financial executive reported to me, "Our problem is *not* the absence of financial data. I can flood

them with data. We lack a vision of what kind of company we want to be and a strategy. Once we produce those, I can supply the necessary data." The other executives reluctantly agreed.

After several more meetings in which nothing got done, a second explanation emerged. It had to do with the personalities of the individuals and the way they work with each other. The CEO explained, "This is a group of lovable guys with very strong egos. They are competitive, bright, candid, and dedicated. But when we meet, we seem to go in circles; we are not prepared to give in a bit and make the necessary compromises."

Is this explanation valid? Should the top managers become less competitive? I'm not sure. Some management groups are not good at problem solving and decision making precisely because the participants have weak egos and are uncomfortable with competition.

If personality were really the problem, the cure would be psychotherapy. And it's simply not true that to be more effective, executives need years on the couch. Besides, pinpointing personality as the issue hides the real culprit.

### **THE CULPRIT IS SKILL**

Let's begin by asking whether counterproductive behavior is also natural and routine. Does everyone seem to be acting sincerely? Do things go wrong even though the managers are not being destructively manipulative and political?

For the executive group, the answer to these questions is yes. Their motives were decent, and they were at their personal best. Their actions were spontaneous,

automatic, and unrehearsed. They acted in milliseconds; they were skilled communicators.

How can skillful actions be counterproductive? When we're skillful we usually produce what we intend. So, in a sense, did the executives. In this case, the skilled behavior—the spontaneous and automatic responses—was meant to avoid upset and conflict at the meetings. The unintended by-products are what cause trouble. Because the executives don't say what they really mean or test the assumptions they really hold, their skills inhibit a resolution of the important intellectual issues embedded in developing the strategy. Thus the meetings end with only lists and no decisions.

This pattern of failure is not only typical for this group of managers. It happens to people in all kinds of organizations regardless of age, gender, educational background, wealth, or position in the hierarchy. Let me illustrate with another example that involves the entire organizational culture at the upper levels. Here we'll begin to see how people's tendency to avoid conflict, to duck the tough issues, becomes institutionalized and leads to a culture that can't tolerate straight talk.

### **Where the Skillful Thrive**

The top management of a large, decentralized corporation was having difficulty finding out what some of its division presidents were up to. Time and time again the CEO would send memos to the presidents asking for information, and time and time again they'd send next to nothing in return. But other people at headquarters accepted this situation as normal. When asked why they got so little direct communication from their division



heads, they'd respond, "That's the way we do things around here."

Here is an organization that isn't talking to itself. The patterns that managers set up among themselves have become institutionalized, and what were once characteristic personal exchanges have now become organizational defensive routines. Before I go on to describe what these routines look like, let's look at how this situation arose.

Built into decentralization is the age-old tug between autonomy and control: superiors want no surprises, subordinates want to be left alone. The subordinates push for autonomy; they assert that by leaving them alone, top management will show its trust from a distance. The superiors, on the other hand, try to keep control through information systems. The subordinates see the control devices as confirming their suspicions—their superiors don't trust them.

Many executives I have observed handle this tension by pretending that the tension is not there. They act as if everyone were in accord and trust that no one will point out disagreements and thereby rock the boat. At the same time, however, they do feel the tension and can't help but soft-pedal their talk. They send mixed messages. (See "Four Easy Steps to Chaos" at the end of this article.) The CEO in this example kept saying to his division presidents, "I mean it—you run the show down there." The division presidents, wanting to prove their mettle, believed him until an important issue came up. When it did the CEO, concerned about the situation and forgetting that he wanted his division chiefs to be innovative, would make phone calls and send memos seeking information.

## Defensive Routines Emerge

One of the most powerful ways people deal with potential embarrassment is to create "organizational defensive routines." I define these as any action or policy designed to avoid surprise, embarrassment, or threat. But they also prevent learning and thereby prevent organizations from investigating or eliminating the underlying problems.

Defensive routines are systemic in that most people within the company adhere to them. People leave the organization and new ones arrive, yet the defensive routines remain intact.

To see the impact of the defensive routines and the range of their effects, let's return to the division heads who are directed by mixed messages. They feel a lack of trust and are suspicious of their boss's intentions but they must, nonetheless, find ways to live with the mixed messages. So they "explain" the messages to themselves and to their subordinates. These explanations often sound like this:

"Corporate never *really* meant decentralization."

"Corporate is willing to trust divisions when the going is smooth, but not when it's rough."

"Corporate is more concerned about the stock market than about us."

Of course, the managers rarely test their hypotheses about corporate motives with top executives. If discussing mixed messages among themselves would be uncomfortable, then public testing of the validity of these explanations would be embarrassing.



But now the division heads are in a double bind. On the one hand, if they go along unquestioningly, they may lose their autonomy and their subordinates will see them as having little influence with corporate. On the other, if the division executives do not comply with orders from above, headquarters will think they are recalcitrant, and if noncompliance continues, disloyal.

Top management is in a similar predicament. It senses that division managers have suspicions about headquarters' motives and are covering them up. If headquarters makes its impression known, though, the division heads may get upset. If the top does not say anything, the division presidents could infer full agreement when there is none. Usually, in the name of keeping up good relations, the top covers up its predicament.

Soon, people in the divisions learn to live with their binds by generating further explanations. For example, they may eventually conclude that openness is a strategy that top management has devised intentionally to cover up its unwillingness to be influenced.

Since this conclusion is based on the assumption that people at the top are covering up, managers won't test it either. Since neither headquarters nor division executives discuss or resolve the attributions or the frustrations, both may eventually stop communicating regularly and openly. Once in place, the climate of mistrust makes it more likely that the issues become undiscussable.

Now both headquarters and division managers have attitudes, assumptions, and actions that create self-fulfilling and self-sealing processes that each sees the other as creating.

Under these conditions, it is not surprising to find that superiors and subordinates hold both good and bad

feelings about each other. For example, they may say about each other: "They are bright and well intentioned but they have a narrow, parochial view"; or "They are interested in the company's financial health but they do not understand how they are harming earnings in the long run"; or "They are interested in people but they pay too little attention to the company's development."

My experience is that people cannot build on their appreciation of others without first overcoming their suspicions. But to overcome what they don't like, people must be able to discuss it. And this requirement violates the undiscussability rule embedded in the organizational defensive routines.

Is there any organization that does not have these hang-ups and problems? Some people suggest that getting back to basics will open lines of communication. But the proffered panacea does not go far enough; it does not deal with the underlying patterns. Problems won't be solved by simply correcting one isolated instance of poor performance.

When CEOs I have observed declared war against organizational barriers to candor and demanded that people get back to basics, most often they implemented the new ideas with the old skills. People changed whatever they could and learned to cover their asses even more skillfully. The freedom to question and to confront is crucial, but it is inadequate. To overcome skilled incompetence, people have to learn new skills—to ask the questions behind the questions.

Defensive routines exist. They are undiscussable. They proliferate and grow underground. And the social pollution is hard to identify until something occurs that blows things open. Often that something is a glaring error whose results cannot be hidden. The recent space

shuttle disaster is an example. Only after the accident occurred were the mixed messages and defensive routines used during the decision to launch exposed. The disaster made it legitimate for outsiders to require insiders to discuss the undiscussable. (By the way, writing a tighter set of controls and requiring better communication won't solve the problem. Tighter controls will only enlarge the book of rules that William Rogers, chairman of the president's committee to investigate the Challenger disaster, acknowledged can be a cure worse than the illness. He pointed out that in his Navy years, when the players went by the book, things only got worse.)

Managers do not have the choice to ignore the organizational problems that these self-sealing loops create. They may be able to get away with it today, but they're creating a legacy for those who will come after them.

### How to Become Unskilled

The top-management group I described at the beginning of this article decided to learn new skills by examining the defenses they created in their own meetings.

First, they arranged a two-day session away from the office for which they wrote a short case beforehand. The purpose of these cases was twofold. First, they allowed the executives to develop a collage of the problems they thought were critical. Not surprisingly, in this particular group at least half wrote on issues related to the product versus custom service conflict. Second, the cases provided a kind of window into the prevailing rules and routines the executives used. The form of the case was as follows:

1. In one paragraph describe a key organizational problem as you see it.



2. In attacking the problem, assume you could talk to whomever you wish. Describe, in a paragraph or so, the strategy you would use in this meeting.
3. Next, split your page into two columns. On the right-hand side, write how you would begin the meeting: what you would actually say. Then write what you believe the other(s) would say. Then write your response to their response. Continue writing this scenario for two or so double-spaced typewritten pages.
4. In the left-hand column write any of your ideas or feelings that you would not communicate for whatever reason.

The executives reported that they became engrossed in writing the cases. Some said that the very writing of their case was an eye-opener. Moreover, once the stories were distributed, the reactions were jocular. They enjoyed them: "Great, Joe does this all the time"; "Oh, there's a familiar one"; "All salespeople and no listeners"; "Oh my God, this is us."

What is the advantage of using the cases? Crafted and written by the executives themselves, they become vivid examples of skilled incompetence. They illustrate the skill with which each executive sought to avoid upsetting the other while trying to change the other's mind. The cases also illustrate their incompetence. By their own analysis, what they did upset the others, created suspicion, and made it less likely that their views would prevail.

The cases are also very important learning devices. During a meeting, it is difficult to slow down behavior produced in milliseconds, to reflect on it, and to change it. For one thing, it's hard to pay attention to interpersonal actions and to substantive issues at the same time.

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**Case of the Custom-Service Advocate**

**Thoughts and Feelings**

He's not going to like this topic, but we have to discuss it. I doubt that he will take a company perspective, but I should be positive.

I better go slow. Let me ease in.

Like hell you don't understand. I wish there was a way I could be more gentle.

There he goes, thinking like a salesman and not like a corporate officer.

**Actual Conversation**

**I:**  
Hi Bill. I appreciate having the opportunity to talk with you about this custom service versus product problem. I'm sure that both of us want to resolve it in the best interests of the company.

**Bill:**  
I'm always glad to talk about it, as you well know.

**I:**  
There are a rising number of situations where our clients are asking for custom service and rejecting the off-the-shelf products. I worry that your salespeople will play an increasingly peripheral role in the future.

**Bill:**  
I don't understand. Tell me more.

**I:**  
Bill, I'm sure you are aware of the changes [I explain].

**Bill:**  
No, I don't see it that way. My salespeople are the key to the future.

**I:**  
Well, let's explore that a bit.

A collage from several cases appears in the table "Case of the Custom-Service Advocate." It was written by executives who believed the company should place a greater emphasis on custom service.

The cases written by individuals who supported the product strategy did not differ much. They too were trying to persuade, sell, or cajole their fellow officers. Their left-hand columns were similar.

In analyzing their left-hand columns, the executives found that each side blamed the other for the difficulties, and they used the same reasons. For example, each side said:

"If you insist on your position, you'll harm the morale I've built."

"Don't hand me that line. You know what I'm talking about."

"Why don't you take off your blinders and wear a company hat?"

"It upsets me when I think of how they think."

"I'm really trying hard, but I'm beginning to feel this is hopeless."

These cases effectively illustrate the influence of skilled incompetence. In crafting the cases, the executives were trying not to upset the others and at the same time were trying to change their minds. This process requires skill. Yet the skill they used in the cases has the unintended side effects I talked about. In the cases, the others became upset and dug in their heels without changing their minds.

Here's a real problem. These executives and all the others I've studied to date can't prevent the counter-



productive consequences until and unless they learn new skills. Nor will it work to bypass the skilled incompetence by focusing on the business problems, such as, in this case, developing a business strategy.

### THE ANSWER IS UNLEARNING

The crucial step is for executives to begin to revise how they'd tackle their case. At their two-day seminar each manager selected an episode he wished to redesign so that it would not have the unhappy result it currently produced.

In rewriting their cases, the managers realized that they would have to slow things down. They could not produce a new conversation in the milliseconds in which they were accustomed to speak. This troubled them a bit because they were impatient to learn. They had to keep reminding themselves that learning new skills meant they had to slow down.

Each manager took a different manager's case and crafted a new conversation to help the writer of the episode. After five minutes or so, they showed their designs to the writer. In the process of discussing these new versions, the writer learned a lot about how to redesign his words. And, as they discovered the bugs in their suggestions and the way they made them, the designers also learned a lot.

The dialogues were constructive, cooperative, and helpful. Typical comments were:

"If you want to reach me, try it the way Joe just said."

"I realize your intentions are good, but those words push my button."

"I understand what you're trying to say, but it doesn't work for me. How about trying it this way?"

"I'm surprised at how much my new phrases contain the old messages. This will take time."

Practice is important. Most people require as much practice to overcome skilled incompetence as to play a not-so-decent game of tennis. But it doesn't need to happen all at once. Once managers are committed to change, the practice can occur in actual business meetings where executives set aside some time to reflect on their actions and to correct them.

But how does unlearning skilled incompetence lead to fewer organizational snafus? The first step is to make sure executives are aware of defensive routines that surround the organizational problems that they are trying to solve. One way to do this is to observe them in the making. For example, during a meeting of the top line and corporate staff officers in our large decentralized organization, the CEO asked why the line and staff were having problems working effectively. They identified at least four causes:

The organization's management philosophy and policies are inadequate.

Corporate staff roles overlap and lead to confusion.

Staff lacks clear-cut authority when dealing with line.

Staff has inadequate contact with top line officers.

The CEO appointed two task forces to come up with solutions. Several months later, the entire group met for a day and hammered out a solution that was acceptable to all.

This story has two features that I would highlight. First, the staff-line problems are typical. Second, the story has a happy ending. The organization got to the root of its problems.

But there is a question that must be answered in order to get at the organizational defensive routines. Why did all the managers—both upper and lower—adhere to, implement, and maintain inadequate policies and confusing roles in the first place?

Why open this can of worms if we have already solved the problem? Because defensive routines prevent executives from making honest decisions. Managers who are skilled communicators may also be good at covering up real problems. If we don't work hard at reducing defensive routines, they will thrive—ready to undermine this solution and cover up other conflicts.

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### Four Easy Steps to Chaos

HOW DOES A MANAGER SEND MIXED MESSAGES? It takes skill. Here are four rules:

1. Design a clearly ambiguous message. For example, "Be innovative and take risks, but be careful" is a message that says in effect, "Go, but go just so far" without specifying how far is. The ambiguity and imprecision cover the speaker who can't know ahead of time what is too far.

The receiver, on the other hand, clearly understands the ambiguity and imprecision. Moreover, he or she knows that a request for more precision would likely be interpreted as a sign of immaturity or inexperience. And the receivers may also need an out some day and may



want to keep the message imprecise and ambiguous. Receivers don't want "far" defined any more clearly than the senders do.

2. Ignore any inconsistencies in the message. When people send mixed messages, they usually do it spontaneously and with no sign that the message is mixed. Indeed, if they did appear to hesitate, they would defeat their purpose of maintaining control. Even worse, they might appear weak.
3. Make the ambiguity and inconsistency in the message undiscussable. The whole point of sending a mixed message is to avoid dealing with a situation straight on. The sender does not want the message's mixedness exposed. An executive is not about to send a mixed message and then ask, "Do you find my message inconsistent and ambiguous?" The executive also renders the message undiscussable by the very natural way of sending it. To challenge the innocence of the sender is to imply that the sender is duplicitous—not a likely thing for a subordinate to do.
4. Make the undiscussability also undiscussable. One of the best ways to do this is to send the mixed message in a setting that is not conducive to open inquiry, such as a large meeting or a group where people of unequal organizational status are present. No one wants to launder linen in public. While they are sending mixed messages during a meeting, people rarely reflect on their actions or talk about how the organizational culture, including the meeting, makes discussing the undiscussable difficult.